



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

SB2273

Introduced 1/27/2016, by Sen. Heather A. Steans

#### SYNOPSIS AS INTRODUCED:

New Act

30 ILCS 105/5.875 new

30 ILCS 105/5.876 new

30 ILCS 105/6z-51

Creates the Budget Economic Stabilization Fund Act. Provides that the Comptroller and the Departments of Healthcare and Family Services, Central Management Services, Human Services, Revenue, and Aging shall report to the Governor no later than January 10th of each year the amount of unpaid bills as of the preceding December 31st. Provides that if unpaid bills total more than \$1,000,000,000, the Governor shall include in his or her budget for the next fiscal year an amount to pay off unpaid bills equal to the lesser of (i) 50% of above-trend revenues that the Governor projects to be received by the State in the next fiscal year or (ii) the amount of above-trend revenues needed to reduce the unpaid bills to \$1,000,000,000. Provides that the Governor shall include in the budget paying unpaid bills equal to the lesser of (i) 50% of above-trend revenues that the Governor projects to be received by the State in the next fiscal year or (ii) the amount of above-trend revenues needed to reduce the unpaid bills to \$1,000,000,000 if unpaid bills total more than \$1,000,000,000. Creates the Budget Economic Stabilization Fund and provides for transfers into and withdrawals from the Fund. Creates the Bill Backlog Payment Fund and provides for transfers into and withdrawals from the Fund. Amends the State Finance Act to list the Budget Economic Stabilization Fund and Bill Backlog Payment Fund. Effective immediately.

LRB099 18509 MLM 42888 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning finance.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the Budget  
5 Economic Stabilization Fund Act.

6 Section 5. Legislative intent.

7 The General Assembly finds that, in order to restore  
8 Illinois' fiscal health, retaining a share of above-trend State  
9 revenues for future needs and for reducing the need for new  
10 taxes or increasing any rate of tax or otherwise modifying the  
11 tax structure, including the elimination or modification of  
12 deductions, exclusions, or exemptions, is a priority.

13 Section 10. Definitions. As used in this Act:

14 "Above-trend revenues" means general funds revenue  
15 collections that exceed 2.4% of the prior fiscal year's general  
16 funds revenue collections.

17 "General funds" means the General Revenue Fund, the Common  
18 School Fund, the Education Assistance Fund, and the General  
19 Revenue Common School Special Account Fund.

20 "General funds revenue collections" means, for each fiscal  
21 year, all gross personal and corporate income taxes, other  
22 taxes, fees, and other revenues expected to be deposited into

1 the State's general funds and recurring transfers into general  
2 funds from the State Lottery and gaming, but does not include  
3 other transfers and federal funds.

4 "Unpaid bills" means: pending vouchers approved for  
5 payment but not paid as of December 31st for each fiscal year  
6 by the Office of the Comptroller; pending transfers required by  
7 State statute that have been recorded but have not been paid  
8 from the General Revenue Fund, Common School Fund, or Education  
9 Assistance Fund; and all vouchers for invoices that have been  
10 certified as a proper bill, as defined by the State Prompt  
11 Payment Act, by the Departments of Healthcare and Family  
12 Services, Central Management Services, Human Services,  
13 Revenue, and Aging but not yet approved by the Comptroller as  
14 of December 31st of each fiscal year from the General Revenue  
15 Fund, Common School Fund, Education Assistance Fund, Health  
16 Insurance Fund, Income Tax Refund Fund, and Healthcare Provider  
17 Relief Fund.

18 Section 15. Certification of the backlog of bills. The  
19 amount of unpaid bills shall be reported by the Comptroller and  
20 the Departments of Healthcare and Family Services, Central  
21 Management Services, Human Services, Revenue, and Aging to the  
22 Governor's Office of Management and Budget no later than  
23 January 10th of each year. By January 15th of each year, the  
24 Governor's Office of Management and Budget shall notify the  
25 Comptroller, Treasurer, the Speaker and Minority Leader of the

1 House, and the President and Minority Leader of the Senate of  
2 the total amount of unpaid bills as of the preceding December  
3 31st.

4 Section 20. Payment of unpaid bills. If unpaid bills total  
5 more than \$1,000,000,000, the Governor shall include in his or  
6 her budget for the next fiscal year an amount to pay unpaid  
7 bills equal to the lesser of (i) 50% of above-trend revenues  
8 that the Governor projects to be received by the State in the  
9 next fiscal year or (ii) the amount of above-trend revenues  
10 needed to reduce the unpaid bills to \$1,000,000,000. This  
11 amount to pay off unpaid bills shall be included in the  
12 Governor's budget as an appropriation to the Bill Backlog  
13 Payment Fund from the General Revenue Fund. Nothing in this Act  
14 prohibits the Governor from including in his or her budget, or  
15 the General Assembly from appropriating, additional moneys for  
16 the payment of unpaid bills. If for any reason the  
17 appropriations enacted are insufficient to meet the payment of  
18 unpaid bills required to be included in the Governor's budget  
19 under this Section, then there is hereby appropriated, on a  
20 continuing annual basis in each fiscal year, from the General  
21 Revenue Fund, the amounts necessary for this payment.

22 Section 25. Transfers into the Budget Economic  
23 Stabilization Fund.

24 (a) If unpaid bills total less than \$1,000,000,000 the

1 Governor shall include in his or her budget for the next fiscal  
2 year at least 50% of any above-trend revenues that the Governor  
3 projects to be received in the next fiscal year for deposit to  
4 the Budget Economic Stabilization Fund as an appropriation from  
5 the General Revenue Fund. Except as provided in subsection (b)  
6 of this Section, if for any reason the appropriations enacted  
7 are insufficient to make the deposit required by this Section,  
8 then this Section shall constitute a continuing appropriation  
9 from the General Revenue Fund of all amounts necessary for this  
10 deposit.

11 (b) If the balance of the Budget Economic Stabilization  
12 Fund at the beginning of the next fiscal year is projected by  
13 the Governor to exceed 5% of the general funds revenue  
14 collections estimated for the next fiscal year, transfers into  
15 the Budget Economic Stabilization Fund are not required for  
16 that fiscal year.

17 Section 30. Withdrawal from Budget Economic Stabilization  
18 Fund.

19 (a) Upon the direction of the Governor at any time within a  
20 fiscal year and within the limitations set forth in this  
21 Section, the Comptroller and the Treasurer shall transfer the  
22 amounts designated by the Governor from the Budget Economic  
23 Stabilization Fund to general funds as specified by the  
24 Governor. The transfer shall be made as soon as practicable on  
25 or after the 30th day after the Governor has provided written

1 notice of his or her direction to transfer to the Clerk of the  
2 House of Representatives, the Secretary of the Senate, and the  
3 Index Department of the Office of the Secretary of State, with  
4 copies of the notice provided to the Comptroller and Treasurer.  
5 The notice shall be published on the website of the Governor's  
6 Office of Management and Budget. The amount directed to be  
7 transferred may not exceed the limits set forth in subsection  
8 (c) of this Section. The Governor may direct a transfer from  
9 the Budget Economic Stabilization Fund to any of the general  
10 funds only if: he or she estimates that general funds revenue  
11 collections for the current fiscal year will be less than the  
12 general funds revenue collections as estimated at the time of  
13 enactment of appropriations for the current fiscal year; the  
14 transfer is necessary to provide for the health, safety, and  
15 welfare of the people of the State of Illinois; and the funds  
16 transferred are to be spent within previously enacted  
17 appropriations.

18 (b) In addition to transfers directed by the Governor  
19 within a fiscal year, transfers or appropriations from the  
20 Budget Economic Stabilization Fund for the current or next  
21 fiscal year may be made by vote of the General Assembly if:

22 (1) the General Assembly projects that general funds  
23 revenue collections for the current or next fiscal year are  
24 less than the general funds revenue collections as  
25 estimated at the time of enactment of appropriations for  
26 the current fiscal year for the preceding year;

1           (2) the General Assembly finds that general funds  
2 revenue collections have remained stagnant or dropped  
3 during 2 consecutive fiscal quarters within the preceding  
4 12 months as compared to the corresponding 2 fiscal  
5 quarters of the prior fiscal year; or

6           (3) that the State Coincident Index for the State of  
7 Illinois has remained stagnant or dropped over 2  
8 consecutive quarters within the preceding 12 months, as  
9 published in the Federal Reserve Bank of Philadelphia's  
10 publication entitled "State Coincident Indexes" or its  
11 successor publication.

12           (c) Transfers or appropriations from the Budget Economic  
13 Stabilization Fund may not, during any fiscal year, exceed the  
14 lesser of:

15           (1) 50% of the Budget Economic Stabilization Fund's  
16 balance;

17           (2) in the case of appropriation enacted by the General  
18 Assembly, 50% of the difference between (i) general funds  
19 revenue collections, as projected by the Commission on  
20 Government Forecasting and Accountability to be received  
21 in the next fiscal year, and (ii) a revised general fund  
22 revenue collections projection for the current fiscal year  
23 presented to the General Assembly by the Commission on  
24 Government Forecasting and Accountability; or

25           (3) in the case of transfers to be directed by the  
26 Governor within a fiscal year, 50% of the difference

1           between (i) general funds revenue collections, to be  
2           received in the next fiscal year as projected by the  
3           Governor, and (ii) a revised general fund revenue  
4           collections projection for the current fiscal year as  
5           projected by the Governor.

6           Section 35. Fund creation.

7           (a) There is created the Budget Economic Stabilization Fund  
8           as a special fund in the State Treasury consisting of moneys  
9           appropriated or transferred to that Fund as provided in Section  
10          30 of this Act and as otherwise provided by law. All earnings  
11          on Budget Economic Stabilization Fund investments shall be  
12          deposited into that Fund.

13          (b) There is created the Bill Backlog Payment Fund as a  
14          special fund in the State Treasury consisting of moneys  
15          appropriated or transferred to that Fund as provided in Section  
16          25 of this Act and as otherwise provided by law. All earnings  
17          on Bill Backlog Payment Fund investments shall be deposited  
18          into that Fund.

19          Section 40. The State Finance Act is amended by changing  
20          Section 6z-51 and by adding Sections 5.875 and 5.876 as  
21          follows:

22               (30 ILCS 105/5.875 new)

23               Sec. 5.875. The Budget Economic Stabilization Fund.

1 (30 ILCS 105/5.876 new)

2 Sec. 5.876. The Bill Backlog Payment Fund.

3 (30 ILCS 105/6z-51)

4 Sec. 6z-51. Budget Stabilization Fund.

5 (a) The Budget Stabilization Fund, a special fund in the  
6 State Treasury, shall consist of moneys appropriated or  
7 transferred to that Fund, as provided in Section 6z-43 and as  
8 otherwise provided by law. All earnings on Budget Stabilization  
9 Fund investments shall be deposited into that Fund.

10 (b) Until an initial transfer has been made to the Budget  
11 Economic Stabilization Fund under Section 30 of the Budget  
12 Economic Stabilization Fund Act, the ~~The~~ State Comptroller may  
13 direct the State Treasurer to transfer moneys from the Budget  
14 Stabilization Fund to the General Revenue Fund in order to meet  
15 cash flow deficits resulting from timing variations between  
16 disbursements and the receipt of funds within a fiscal year.  
17 Any moneys so borrowed in any fiscal year other than Fiscal  
18 Year 2011 shall be repaid by June 30 of the fiscal year in  
19 which they were borrowed. Any moneys so borrowed in Fiscal Year  
20 2011 shall be repaid no later than July 15, 2011.

21 (Source: P.A. 97-44, eff. 6-28-11.)

22 Section 99. Effective date. This Act takes effect upon  
23 becoming law.